

Agency for International Development
Agencia para el Desarrollo Internacional

PD-ABF-317

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Embajada de los Estados Unidos de América

Lauro Muller 1776
Montevideo - Uruguay

September 7, 1990

Mr. Luis Villamayor
President Confederación Empresarial
del Uruguay (CEDU)
Cnel. Brandzen 1961
Montevideo

Mr. Zvonimir Dugonjic Furst
President Jóvenes Empresarios
Cnel. Brandzen 1961
Montevideo

Subject: Grant No. 598-0616-00013

598-0616-6-00-0013-00 *all*

Messrs. Villamayor and Dugonjic Furst:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Confederación Empresarial del Uruguay, under which the Jóvenes Empresarios Program will initially operate (hereinafter together referred to as "Grantee"), the sum of US\$252,000 to develop a Junior Achievement program for young Uruguayans, as described in the Schedule of this Grant and the Attachment 2, entitled "Program Description".

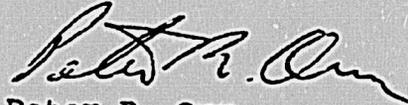
This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending on December 31, 1992.

The grant is made to the Grantee on conditions that: (1) the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled the "Schedule", Attachment 2, entitled "Program Description", and Attachment 3, entitled "Standard Provisions", which have been agreed to by both your organizations; (2) the program shall be implemented by Jóvenes Empresarios, an organization which shall initially operate under the legal framework of CEDU, the initial Grantee, until such time as Jóvenes Empresarios has met all the legal requirements and is recognized by the Government of Uruguay as a separate legal organization; (3) after the Government of Uruguay has recognized Jóvenes Empresarios as a separate legal organization, and after A.I.D. agrees that Jóvenes Empresarios has met all of A.I.D.'s requirements for receipt of a grant as a separate, non-governmental organization (as principally stated in A.I.D. Handbook 13, Chapter Four), the

Confederación Empresarial del Uruguay, Jóvenes Empresarios and A.I.D. shall execute an amendment to this Grant stating that Jóvenes Empresarios is the sole Grantee under this Grant, thereby assuming all of the rights and obligations of the Grantee hereunder, and that, (4) CEDU shall establish a separate bank account or accounts for handling all funds and transactions related to this Grant, and upon execution of the amendment referred to in (3) above, CEDU shall transfer full control of said account or accounts to Jóvenes Empresarios, which shall continue to maintain said account or accounts separate from all other accounts of Jóvenes Empresarios or of CEDU.

Please sign together below for CEDU and Jóvenes Empresarios the original and each copy of this letter to acknowledge your receipt of the Grant and agreement to its conditions, and return the original and all but two copies to this office.

Sincerely yours,



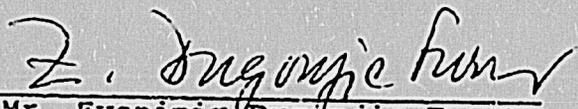
Peter R. Orr,
A.I.D. Representative
and Grant Officer

Note: For the purpose of this Grant, both parties agree that the terms of the agreement will be applied in its full force, independently of any other denomination that may be used in lieu of "Jóvenes Empresarios".

ACCEPTED:



Mr. Luis Villamayor
President Confederación
Empresarial del Uruguay



Mr. Zvonimir Dugonjic Furst
President Jóvenes
Empresarios



FISCAL DATA

Appropriation: 72-1101021
Budget Plan Code: LDSA 90-25528-KG12
Project No.: 598-0616.18
Total Estimated Amount: US\$ 252,000.00
Total Obligated Amount: US\$ 252,000.00
Grant No.: 598-0616-00013
Obligation No.: 00013
Funding Source: USAID/URUGUAY

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

FUNDS AVAILABLE
SIGNATURE <i>[Handwritten Signature]</i>
DATE 08/31/90

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SCHEDULEA. Purpose of Grant

The purpose of the Grant is to develop a program to train Uruguayan youth in the principles of private enterprise.

By the end of the grant, it is expected that an Uruguayan institution will have been established that is capable of continuing a program for junior entrepreneurs based upon support from the Uruguayan business community.

B. Period of Grant

The effective date of this Grant is September 7, 1990.
The expiration date of this Grant is December 31, 1992.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of U\$252,000.00 for the purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with the procedures set forth in Attachment 3, Standard Provision, entitled "Payment - Periodic Advance".

D. Financial Plan

The following is the Grant Budget. Revision to this budget will be made in accordance with the Standard Provision of this Grant, entitled "Revision of Grant Budget".

	<u>A.I.D.</u> <u>(U\$S)</u>	<u>Other</u> <u>Contributions</u> <u>(U\$S)</u>	<u>Total</u> <u>(U\$S)</u>
(1) Compensations (Staff)	131.000	24.000	155.000
(2) Operations Infrastructure	41.000	24.000	65.000
(3) Technical Assistance and Promotion	80.000	--	80.000
TOTAL	<u>252.000</u>	<u>48.000</u>	<u>300.000</u>

E. Reporting and Evaluation

The Grantee will prepare and submit to A.I.D. annual implementation and quarterly project progress reports.

Financial reports will be prepared no less than quarterly, in accordance with the Standard Provision, entitled "Payment - Periodic Advance". A joint A.I.D.-Grantee informal evaluation review will be held in conjunction with the preparation of the second and third annual plan of the program. A formal independent evaluation will be conducted at the end of A.I.D.'s grant.

F. Special Provisions

Attachment No. 3 to the Grant provides the Standard Provisions applicable to the Grant. Optional Standard Provisions Nos. 2, 9, 10, 13, 14, 15, 16, 17, 19, 20, 21 do not apply to the Grant.

G. Title to Property

Commodities procured under the Grant will be the property of the Grantee, unless otherwise specified by A.I.D. in writing.

H. Authorized Geographic Code

Unless authorized in writing by the A.I.D. Grant Officer, all goods and services procured under the Grant shall have their source and origin in the U.S.A., México or Uruguay.

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PROGRAM DESCRIPTIONPurpose of Grant

The Confederación Empresarial del Uruguay (CEDU) and Jóvenes Empresarios de Uruguay propose to establish a program in economic education and entrepreneurship, similar to the one operated by Junior Achievement Inc. and its affiliates in 17 countries outside of the U.S.A. It is expected that this program will contribute to reverse the anti-business bias, encourage youth to pursue business careers and create a public awareness of the role of business in the economic well-being of the country.

The final program proposal, submitted by the Grantee on September 4, is hereby summarized.

1. Objective

The general objective of the educational program "Jóvenes Empresarios" is to develop, in as many youngsters as possible, their entrepreneurship ability thus preparing them in a practical way to participate in a business world based on free enterprise and market economy.

2. Methodology

The methodology and training programs to be used in order to attain this objective will be those developed by a U.S. institution whose objectives are very similar to these and which has a wide expertise in training youngsters in this field: Junior Achievement Inc.

For the purpose of adapting and conducting the program in Uruguay, a group of private businessmen is creating a non-profit institution which will be called "Jóvenes Empresarios". This new non-profit institution has to be approved by the Ministry of Education and Culture before it can legally operate in the country. In the meantime, the Confederación Empresarial del Uruguay (CEDU) has agreed to provide the initial legal framework, so that operations can be started as soon as the grant funds are available. The "Confederación Empresarial del Uruguay" (CEDU) is an institution which groups different business organizations of the interior of the country. This support of an organization from the interior of the country should be pointed out since it will assure that the program has a real national scope.

The general strategy of Jóvenes Empresarios will consist of carrying out an educational program which will be based on four subprograms that are offered by Junior Achievement Inc.

(a) Junior Achievement Company. High school students form mini-corporations under the guidance of volunteer advisors from local businesses. The students will sell stock, elect officers, produce and market products or services and liquidate the company after a certain period of time.

(b) Business Basics. This is usually a program that introduces fifth and sixth grade primary school students to economics and business administration. It also provides an opportunity for older students from other J.A. programs to share their knowledge with the students in these grades.

(c) Project Business. Junior High School students get encouragement and guidance from consultants from the local business community. The consultant leads activities and discussions relating to business and economic issues.

(d) Applied Economics. This is a subprogram for senior secondary level students which focuses on the principles and theories of economics.

3. Program Targets

During the first five years of life of the program it is expected to achieve the following:

	<u>Courses</u>				<u>Students</u>
	<u>JAC</u>	<u>BB</u>	<u>PB</u>	<u>AE</u>	
1991	5-8	-	-	-	80- 140
1992	20-30	3	1	-	500- 750
1993	40-50	10	5	1	1000-1300
1994	60-70	20	10	3	1900-2100
1995	80-90	30	20	5	2800-3000

JAC - Junior Achievement Company
BB - Business Basics
PB - Project Business
AE - Applied Economics

4. Costs and Funding

The following table shows the financing plan and its components:

	<u>A.I.D.</u> <u>\$000's</u>	<u>Other</u> <u>\$000's</u>	<u>Total</u> <u>\$000's</u>
1. Staff compensation	131	24	155
2. Operations infra- structure	41	24	65
3. Technical assistance & Promotion	<u>80</u>	<u>-</u>	<u>80</u>
Total	252	43	300

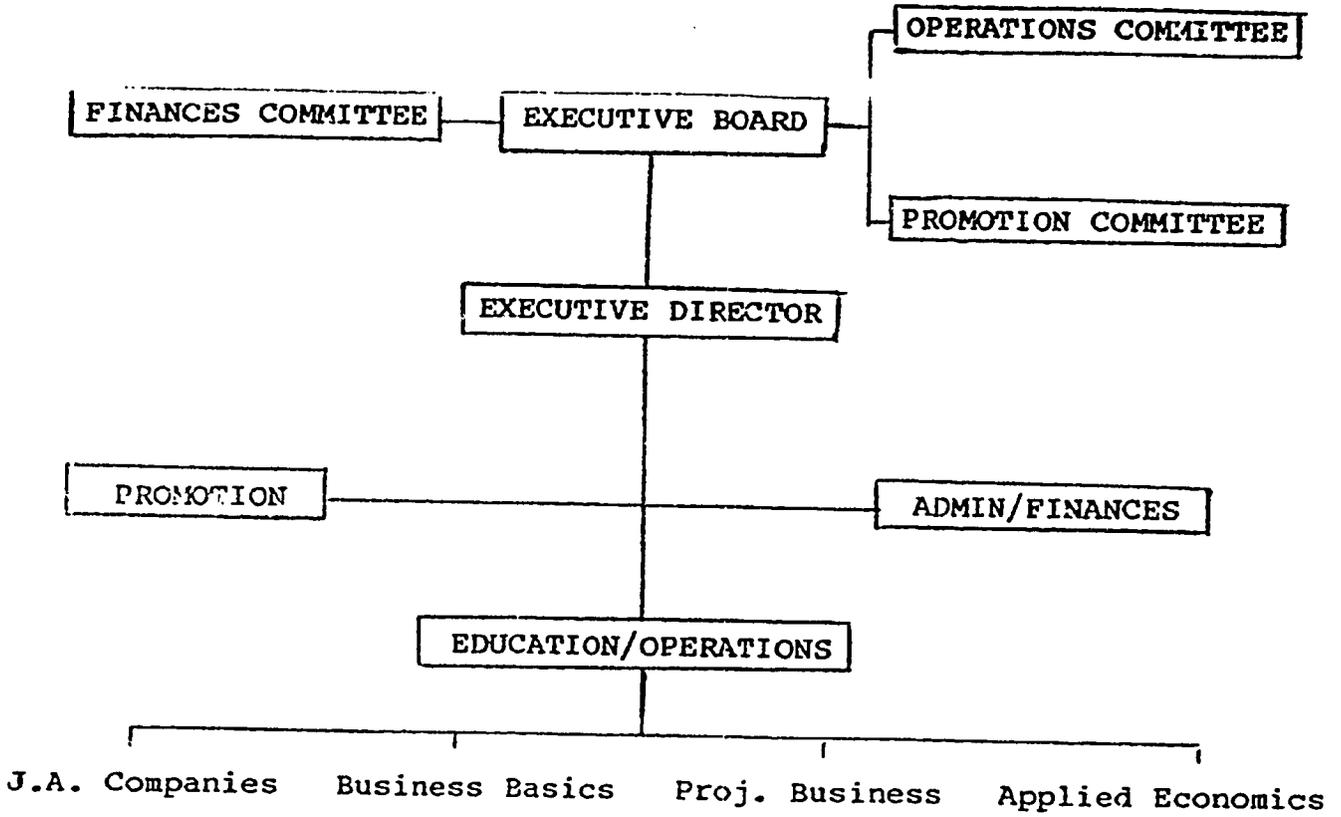
5. Self-sustained Growth

One of the most important goals of the general development of the education program is to achieve a sound administration of program funds, financial stability and self-sustained growth. Special emphasis will be placed in obtaining non-A.I.D. funding as of 1993. From then on the program will have to obtain its funding from the private sector, and in this way attain stability and self-sustained growth. It is expected that Junior Achievement Inc. will contribute with its methodology and expertise to assist in obtaining the resources required to attain this goal.

6. Management and Administration

Jóvenes Empresarios will be managed and administered by a Board of Directors which will be made up of leading businessmen, leading educators and other personalities who may wish to take part in the program. The Board of Directors will appoint a Chairman and specialized committees for the definition of policies, strategies and development plans for the institution. Some of the Directors may take part in these committees.

An Executive Director appointed by the Board of Directors will be in charge of the implementation of the program. During the first stage of the program the Executive Director will organize the three functional areas needed for the management of the program: Promotion, Education/Operations and Administration/Finances. To do this, he will be assisted by a Certified Public Accountant (working part-time) and a secretary. As the program develops and depending on its growth requirements, each of the functional areas will be managed by a full-time manager.



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